

#### § 563b.24

#### 12 CFR Ch. V (1–1–02 Edition)

and meets the qualification standards specified in § 563b.24 of this subpart. If the OTS authorizes or orders a supervisory stock conversion, the conditions specified in § 563b.30 of this subpart must be fulfilled and the resulting institution and the purchaser(s) of its conversion stock must comply with the requirements of § 563b.31 of this subpart.

(b) In connection with approval of an association's conversion, the OTS may impose conditions and restrictions on the converting or resulting institution, the acquiror, and controlling parties, directors and officers of either, to prevent unsafe or unsound practices, to protect the deposit insurance funds and the public interest, and to prevent potential injury or detriment to the converting or resulting association. The OTS generally will exercise this authority consistent with applicable supervisory policies.

(c) The OTS may deny an association's conversion if the Office determines that the converting or resulting association, the acquiror, or controlling parties or directors and officers of either, have engaged in unsafe or unsound practices in connection with the transaction, or that the transaction is detrimental to or would cause potential injury to the converting or resulting association, the Federal deposit insurance funds or is contrary to the public interest.

(d) For three years following the date of completion of a voluntary supervisory conversion, neither any controlling shareholder nor the resulting institution may acquire shares from minority shareholders without the prior approval of the OTS.

[57 FR 49381, Nov. 2, 1992]

#### § 563b.24 Qualification for supervisory conversion of SAIF-insured associations.

(a) The OTS in its discretion may authorize the supervisory conversion of a SAIF-insured savings association upon finding that the association:

(1) Is significantly undercapitalized; and

(2) Would be a viable entity as determined under § 563b.26 of this subpart, following the conversion.

(b) The OTS in its discretion also may authorize the supervisory conversion of a SAIF-insured savings association upon finding that the association:

(1) Is undercapitalized;

(2) Demonstrates by clear evidence that a standard conversion that would raise sufficient capital to enable the association to be adequately capitalized is not feasible; and

(3) Would be a viable entity as determined under § 563b.26 of this subpart, following the conversion.

(c) Notwithstanding any other provision of law, the OTS also may authorize, (or in the case of a Federal savings association require), the conversion of a savings association into a Federal savings association pursuant to section 5(p) of the Home Owners' Loan Act, 12 U.S.C. 1464(p).

[57 FR 49381, Nov. 2, 1992]

#### § 563b.25 Qualification for supervisory conversion of BIF-insured savings associations.

(a) The Office may, in its discretion, concur with the determination of the FDIC that a BIF-insured mutual savings bank qualifies for a voluntary supervisory conversion if the FDIC certifies to the Office in accordance with section 5(o)(2)(C) of the Home Owners' Loan Act, 12 U.S.C. 1464(o)(2)(C), that severe financial conditions exist that threaten the stability of the savings bank and that the voluntary supervisory conversion is likely to improve the financial condition of the savings bank; or

(b) The Office may, in its discretion, authorize a BIF-insured savings association to undergo a voluntary supervisory conversion to Federal stock form if the following conditions have been met:

(1) The association's liabilities exceed its assets, as calculated under generally accepted accounting principles, assuming the association is a going concern; and

(2)(i) A sufficient amount of permanent capital stock is issued in connection with the voluntary supervisory conversion to allow the association to meet its capital requirement as established by the FDIC immediately upon completion of the conversion; or